

Kikkoman Corporation

Business Performance Presentation

for the Six-Month Period Ended September 30, 2015

November 5, 2015



- The information in this presentation is based on Kikkoman's best knowledge at the time it was prepared.*
- This presentation does not constitute a promise or guarantee that the company will achieve its numerical targets or necessarily implement the strategies outlined.*



➤ *Performance in the Six Months Ended September 30, 2015 and Forecast for the Second Half*

*Shozaburo Nakano
Director, Executive Corporate Officer and CFO*

➤ *Progress of the Medium-Term Management Plan*

*Noriaki Horikiri
President and CEO*



**Performance in the Six Months Ended
September 30, 2015 and Forecast for the
Second Half**

**Shozaburo Nakano
Director, Executive Corporate Officer and CFO**

(1) Performance in the First Half of FY2016

(2) Forecast for the Second Half of FY2016



***1-1. Performance in the Six Months
Consolidated P/L Results (Compared with Previous Year)***

1st half actual

(Unit: billion yen)

	Fiscal 2016	Fiscal 2015	Change Increase / Decrease	%	Breakdown of change		
					Translation Difference	Actual Difference	%
Net Sales	202.8	178.8	24.0	113.4	12.8	11.1	106.2
Japan	89.0	84.9	4.2	104.9		4.2	104.9
Overseas	114.9	95.0	20.0	121.0	12.8	7.1	107.5
Operating Income	16.9	12.3	4.6	137.8	1.5	3.1	125.5
Japan	4.4	2.1	2.3	213.2		2.3	213.2
Overseas	12.1	9.7	2.4	125.2	1.4	1.0	110.8
Kikkoman (Holding Company)	2.8	3.2	(0.5)	85.0		(0.5)	85.0
Eliminations	(2.3)	(2.7)	0.4		0.1	0.3	
Ordinary income	16.0	11.7	4.2	135.9	1.3	2.9	124.4
Income before income taxes	15.8	11.7	4.1	135.4	1.4	2.8	123.9
Net income attributable to owners of parent	10.5	7.8	2.7	134.7	0.9	1.8	123.3
Exchange Rate (¥/US\$)	121.5	103.5	18.0				
(¥/EUR)	134.6	139.1	(4.5)				



1-2. Performance in the Six Months Net Sales in Japan (Compared with Previous Year)

1st half actual

(Unit: billion yen)

		Fiscal 2016	Fiscal 2015	Change Increase / Decrease	%
Japan	Soy Sauce	23.7	22.3	1.4	106.1
	Food Products	30.8	29.8	1.0	103.3
	Beverages	24.1	22.5	1.5	106.8
	Liquor and wine	6.2	5.9	0.3	105.2
	Eliminations	(0.1)	(0.1)		
	Foods-Manufacturing and sales	84.6	80.5	4.2	105.2
	Others	10.4	10.3	0.1	101.2
	Eliminations	(6.0)	(5.9)	(0.1)	
Total	89.0	84.9	4.2	104.9	

- Soy sauce: Sales of the “*Itsudemo Shinsen*” (always fresh) series were strong.
- Food products: Sales of *tare*, the “*Uchi-no-Gohan*” (handy Japanese-style seasoning mixes) series and Del Monte seasonings increased.
- Beverage products: Sales of soy milk recorded a double-digit increase.

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1-3. Performance in the Six Months Net Sales Overseas (Compared with Previous Year)

1st half actual

(Unit: billion yen)

		Fiscal 2016	Fiscal 2015	Change Increase / Decrease	%	Breakdown of change		
						Translation Difference	Actual Difference	%
Overseas	North America	88.2	71.4	16.8	123.6	12.5	4.3	106.0
	Foods-Manufacturing and sales	29.1	24.0	5.1	121.1	4.3	0.8	103.2
	Foods-Wholesale	63.1	50.6	12.5	124.8	8.8	3.7	107.4
	Europe	11.7	10.5	1.2	111.0	(0.1)	1.3	112.4
	Foods-Manufacturing and sales	5.3	4.9	0.4	108.5	(0.2)	0.6	112.1
	Foods-Wholesale	7.2	6.4	0.8	112.1		0.8	112.0
	Asia & Oceania	14.3	11.1	3.2	129.3	0.7	2.6	123.1
	Foods-Manufacturing and sales	8.0	5.4	2.5	146.9	0.8	1.8	132.3
	Foods-Wholesale	6.4	5.7	0.7	112.2	(0.1)	0.8	114.3
	Others	15.9	14.6	1.3	108.6		1.3	108.6
	Eliminations	(15.2)	(12.6)	(2.5)		(0.2)	(2.3)	
	Total	114.9	95.0	20.0	121.0	12.8	7.1	107.5

Exchange Rate(¥/US\$) 121.5 103.5 18.0
(¥/EUR) 134.6 139.1 (4.5)

<Explanations of changes excluding translation differences>

- Foods-Manufacturing and sales: Sales increased steadily in North America and Europe. In Asia and Oceania, sales of soy sauce increased while sales of Del Monte declined.
- Foods-Wholesale: Growth continued in each area.

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1-4. Performance in the Six Months Consolidated Operating Income (Compared with Previous Year)

1st half actual

(Unit: billion yen)

		Fiscal 2016	Fiscal 2015	Change Increase / Decrease	%	Breakdown of change		
						Translation Difference	Actual Difference	%
Japan	Foods-Manufacturing and sales	3.5	1.5	2.0	229.1		2.0	229.1
	Others	0.9	0.5	0.3	168.5		0.3	168.5
	Total	4.4	2.1	2.3	213.2		2.3	213.2
Overseas	North America	8.6	6.5	2.1	132.8	1.3	0.8	112.5
	Europe	1.6	1.5		101.9		0.1	104.8
	Asia & Oceania	1.3	1.0	0.3	127.5	0.1	0.2	116.1
	Others	0.8	0.7	0.1	109.8		0.1	109.8
	Total	12.1	9.7	2.4	125.2	1.4	1.0	110.8
Kikkoman (Holding Company)		2.8	3.2	(0.5)	85.0		(0.5)	85.0
Eliminations		(2.3)	(2.7)	0.4		0.1	0.3	
Consolidated Total		16.9	12.3	4.6	137.8	1.5	3.1	125.5
Exchange Rate (¥/US\$)		121.5	103.5	18.0				
(¥/EUR)		134.6	139.1	(4.5)				

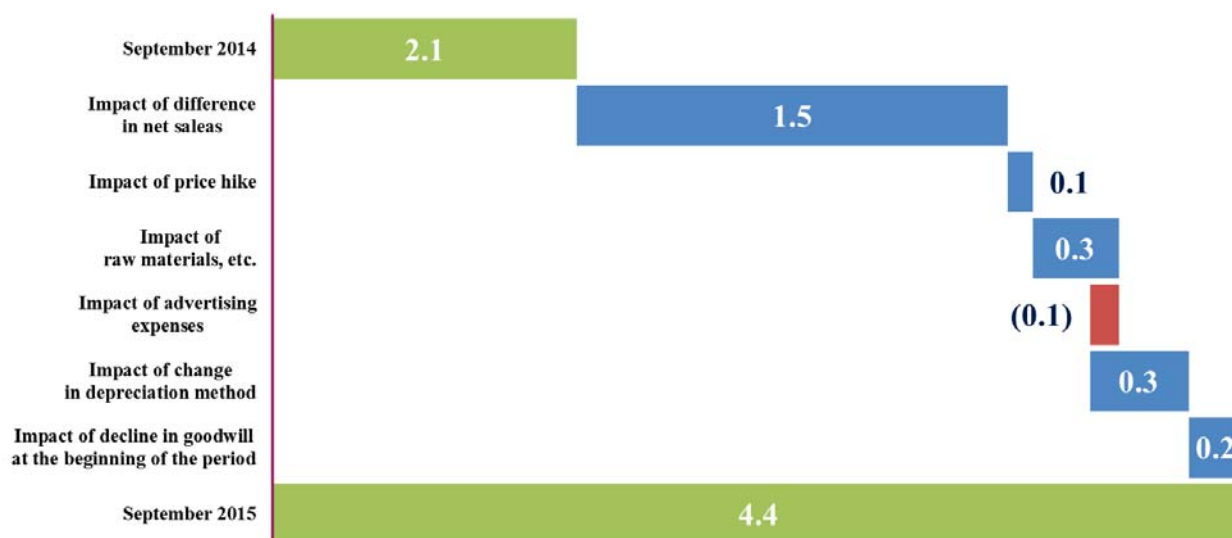
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1-5. Major Factors for Changes in Operating Income in Japan

Japan +¥2.3 billion

(Unit: billion yen)



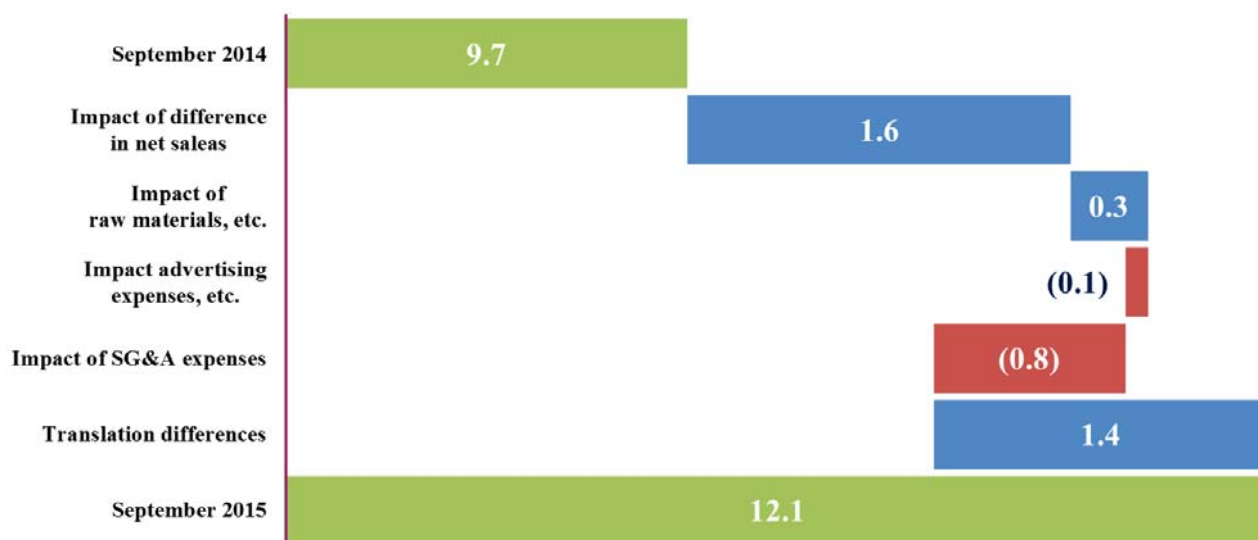
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1-6. Major Factors for Changes in Operating Income Overseas

Overseas +¥2.4 billion

(Unit: billion yen)



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1-7. Performance in the Six Months Consolidated P/L Results (Compared with Forecasts)

1st half actual

(Unit: billion yen)

	Fiscal 2016	Forecast	Change Increase / Decrease	%	Breakdown of change		
					Translation Difference	Actual Difference	%
Net Sales	202.8	199.0	3.8	101.9	4.4	(0.6)	99.7
Japan	89.0	88.7	0.3	100.4		0.3	100.4
Overseas	114.9	111.3	3.6	103.3	4.4	(0.8)	99.3
Operating Income	16.9	14.0	2.9	121.0	0.6	2.4	116.8
Japan	4.4	3.2	1.2	139.6		1.2	139.6
Overseas	12.1	11.2	1.0	108.6	0.5	0.4	103.8
Kikkoman (Holding Company)	2.8	2.1	0.7	131.3		0.7	131.3
Eliminations	(2.3)	(2.4)	0.1		0.1		
Ordinary income	16.0	12.7	3.3	125.6	0.5	2.7	121.5
Income before income taxes	15.8	12.7	3.1	124.4	0.5	2.6	120.2
Net income attributable to owners of parent	10.5	8.1	2.4	129.4	0.4	2.0	125.1
Exchange Rate(¥/US\$)	121.5	115.0	6.5				
(¥/EUR)	134.6	125.0	9.6				

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1-8. Change in Consolidated Balance Sheets

a.Total Asset = 378.0	(Compared with 2015.3)	(0.8)
b.Translation Difference		(0.5)
Actual Difference (a.-b.)		(0.3)

(Unit: billion yen)

Assets	(0.3)	Liabilities and net assets	(0.3)
Current assets	+1.5	Liabilities	(0.2)
Cash and deposits	+0.8	Notes and accounts payable	(2.2)
Notes and accounts receivable-trade	+1.7	Income taxes payable	+1.3
Inventories	+2.8	Net defined benefit liability	(0.2)
Other	(3.8)	Other	+0.9
Non-current assets	(1.8)	Net assets	(0.1)
Property, plant and equipment	+1.5	Retained earnings	+7.6
Intangible assets	(4.2)	Valuation difference on available-for-sale securities	(0.3)
Investments and other assets	+0.9	Other	(7.4)

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2-1. Forecast for Fiscal 2016 Assumptions Made for Full-Year Forecasts

➤ Exchange rates

2nd half: ¥118.0/US\$, ¥135.0/EUR

Full year: ¥119.9/US\$, ¥134.8/EUR

➤ Impact of raw materials, etc.

Consolidated total

2nd half: ¥0.2 billion increase in profit

(Japan ¥0.0 billion, Overseas ¥0.2 billion)

Full year: ¥0.8 billion increase in profit

(Japan ¥0.3 billion, Overseas ¥0.5 billion)

(Underlying assumptions for 2nd half)

Soybeans (market price)	approx. \$8-\$10/bushel
Wheat (market price)	approx. \$4-\$6/bushel
Crude oil (market price)	approx. \$40-\$60/barrel

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2-2. Forecast for the Second Half of FY2016 Consolidated P/L Results (Compared with Previous Year)

2nd half forecast

(Unit: billion yen)

	Forecast	Fiscal 2015	Change Increase / Decrease	%	Breakdown of change		
					Translation Difference	Actual Difference	%
Net Sales	202.2	192.5	9.7	105.0	0.4	9.3	104.8
Japan	87.0	84.8	2.1	102.5		2.1	102.5
Overseas	116.5	108.9	7.6	107.0	0.4	7.2	106.6
Operating Income	14.3	13.1	1.2	109.1		1.2	109.2
Japan	2.6	1.7	0.9	151.3		0.9	151.3
Overseas	11.7	10.9	0.8	107.6		0.8	107.7
Kikkoman (Holding Company)	1.6	2.0	(0.4)	78.6		(0.4)	78.6
Eliminations	(1.6)	(1.5)	(0.1)			(0.1)	
Ordinary income	13.2	12.6	0.6	104.9		0.6	105.1
Income before income taxes	13.4	12.2	1.2	110.2		1.3	110.4
Net income attributable to owners of parent	8.6	7.6	1.0	113.4		1.0	113.4
Exchange Rate (¥/US\$)	118.0	117.6	0.4				
(¥/EUR)	135.0	138.2	(3.2)				

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2-3. Forecast for the Second Half of FY2016 Net Sales in Japan (Compared with Previous Year)

2nd half forecast

(Unit: billion yen)

		Forecast	Fiscal 2015	Change Increase / Decrease	%
Japan	Soy Sauce	25.0	24.6	0.4	101.6
	Food Products	29.5	28.7	0.9	103.0
	Beverages	20.8	20.2	0.6	102.9
	Liquor and wine	7.6	7.3	0.3	103.7
	Eliminations	(0.1)	(0.1)		
	Foods-Manufacturing and sales	82.9	80.8	2.1	102.6
	Others	10.1	9.9	0.2	102.3
	Eliminations	(6.0)	(5.8)	(0.2)	
Total		87.0	84.8	2.1	102.5

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2-4. Forecast for the Second Half of FY2016 Net Sales Overseas (Compared with Previous Year)

2nd half forecast

(Unit: billion yen)

		Forecast	Fiscal 2015	Change Increase / Decrease	%	Breakdown of change		
						Translation Difference	Actual Difference	%
Overseas	North America	87.9	82.1	5.8	107.0	1.3	4.5	105.5
	Foods-Manufacturing and sales	28.5	26.3	2.2	108.2	0.8	1.3	105.0
	Foods-Wholesale	63.2	59.2	4.0	106.7	0.5	3.5	105.9
	Europe	12.2	11.4	0.9	107.5	(0.2)	1.0	109.1
	Foods-Manufacturing and sales	5.7	5.2	0.5	109.6	(0.1)	0.6	112.4
	Foods-Wholesale	7.5	7.0	0.6	108.0	(0.1)	0.6	108.9
	Asia & Oceania	15.2	14.2	1.0	106.8	(0.7)	1.6	111.4
	Foods-Manufacturing and sales	8.5	8.1	0.4	105.5	(0.1)	0.5	106.5
	Foods-Wholesale	6.8	6.2	0.5	108.4	(0.6)	1.1	117.9
	Others	16.2	15.4	0.8	105.5		0.8	105.5
Eliminations	(15.0)	(14.2)	(0.8)			(0.8)		
Total		116.5	108.9	7.6	107.0	0.4	7.2	106.6

Exchange Rate (¥/US\$) 118.0 117.6 0.4
(¥/EUR) 135.0 138.2 (3.2)

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2-5. Forecast for the Second Half of FY2016 Consolidated Operating Income (Compared with Previous Year)

2nd half forecast

(Unit: billion yen)

		Forecast	Fiscal 2015	Change Increase / Decrease	%	Breakdown of change		
						Translation Difference	Actual Difference	%
Japan	Foods-Manufacturing and sales	2.1	1.2	0.9	176.2		0.9	176.2
	Others	0.5	0.5		103.5			103.5
	Total	2.6	1.7	0.9	151.3		0.9	151.3
Overseas	North America	7.9	7.3	0.6	108.5	0.1	0.6	107.6
	Europe	1.8	1.7	0.1	105.6		0.1	108.0
	Asia & Oceania	1.2	1.1	0.1	108.7		0.1	111.6
	Others	0.7	0.7		101.2			101.2
	Total	11.7	10.9	0.8	107.6		0.8	107.7
Kikkoman(Holding Company)		1.6	2.0	(0.4)	78.6		(0.4)	78.6
Eliminations		(1.6)	(1.5)	(0.1)			(0.1)	
Consolidated Total		14.3	13.1	1.2	109.1		1.2	109.2

Exchange Rate (¥/US\$) 118.0 117.6 0.4
(¥/EUR) 135.0 138.2 (3.2)

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2-6. Forecast for Fiscal 2016 Consolidated P/L Results (Compared with Initial Forecast)

Full-year forecasts

(Unit: billion yen)

	Fiscal 2016 Revised Forecast	Initial Forecast	Change Increase / Decrease	%	Breakdown of Change		
					Translation Difference	Actual Difference	%
Net Sales	405.0	400.0	5.0	101.3	5.8	(0.8)	99.8
Japan	176.0	176.1	(0.1)	99.9		(0.1)	99.9
Overseas	231.4	226.0	5.4	102.4	5.8	(0.4)	99.8
Operating Income	31.2	28.0	3.2	111.4	0.9	2.3	108.3
Japan	7.0	5.8	1.2	120.7		1.2	120.7
Overseas	23.8	22.6	1.2	105.3	0.8	0.4	101.8
Kikkoman (Holding Company)	4.4	3.8	0.6	114.5		0.6	114.5
Eliminations	(4.0)	(4.2)	0.3		0.1	0.2	
Ordinary income	29.2	26.0	3.2	112.3	0.8	2.4	109.4
Income before income taxes	29.2	26.0	3.2	112.3	0.8	2.4	109.3
Net income attributable to owners of parent	19.1	17.0	2.1	112.4	0.5	1.6	109.3

Exchange Rate (¥/US\$)	119.9	115.0	4.9
(¥/EUR)	134.8	125.0	9.8

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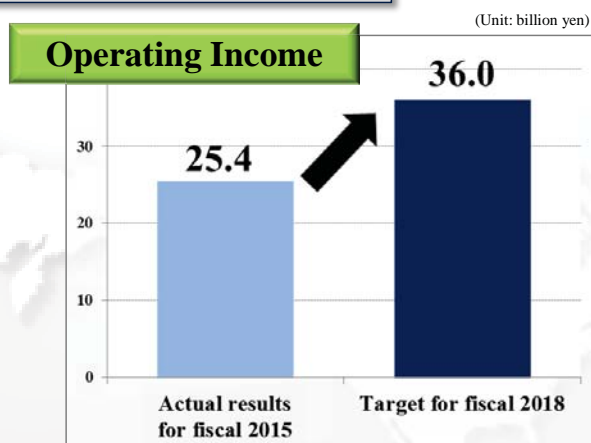
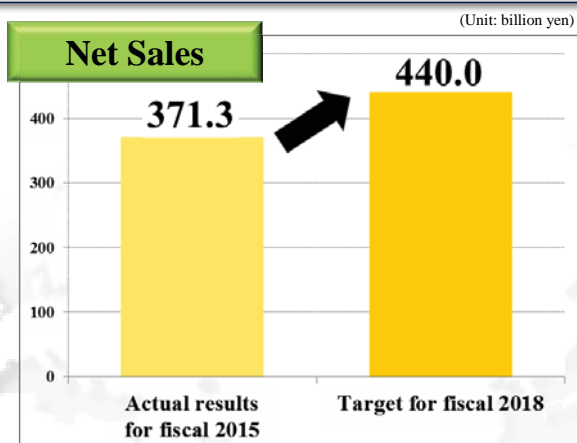
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Progress of the Medium-Term Management Plan

Noriaki Horikiri
President and CEO

Overview of the Medium-Term Management Plan

Medium-Term Management Plan Consolidated Targets



	Actual results for fiscal 2015	Initial forecast for fiscal 2016	Revised forecast for fiscal 2016	Target for fiscal 2018
Net Sales	¥371.3 billion	¥400.0 billion	¥405.0 billion	¥440.0 billion
Operating Income	¥25.4 billion	¥28.0 billion	¥31.2 billion	¥36.0 billion
Operating income ratio	6.8%	7.0%	7.7%	8.2%
ROE	6.9%	(-)	(-)	9% or more
Foreign exchange rates	Dollar	¥110.0	¥115.0	¥119.9
	Euro	¥138.7	¥125.0	¥134.8

Improving profitability

1. Maintaining growth overseas

2. Improving productivity in Japan



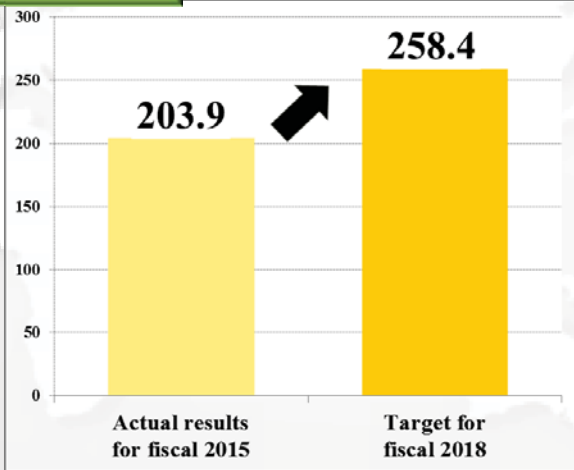
Maintaining growth overseas

Maintaining Growth Overseas

Overseas Business: Consolidated targets for fiscal 2018

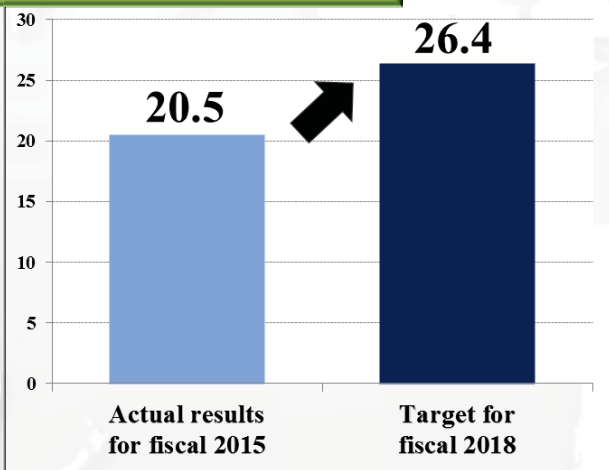
Net Sales

(Unit: billion yen)



Operating Income

(Unit: billion yen)



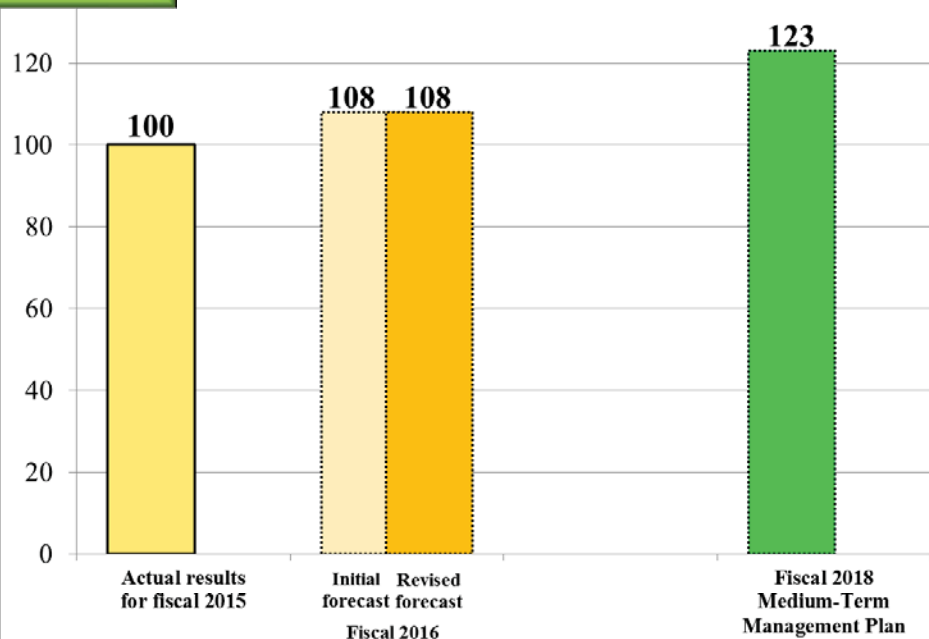
* Exchange Rate
 FY2018 ¥115.0/US\$ ¥125.0/EUR
 FY2015 ¥110.0/US\$ ¥138.7/EUR



Maintaining Growth Overseas

Overseas Soy Sauce Business: Sales target for fiscal 2018 and progress

Net Sales



* Trends and targets (in local currencies) of net sales in the overseas soy sauce business are presented using indexes, with the actual results for fiscal 2015 as 100.



Maintaining Growth Overseas

Overseas Soy Sauce Business: Initiatives and efforts in each area



North America

Sales growth target: Average of 4% per year or more
(in local currencies)

Initiative 1

- Developing new products to increase non-price competitiveness; treating customers with meticulous care to increase opportunities for existing customers to buy our products and gain new customers.



Current efforts

- Promoting the development of products that meet user needs.
- Strengthening measures for industrial and food service users.



Initiative 2

- Developing markets in Canada and Mexico.



Current efforts

- Developing markets with hot-selling products in the United States and products tailored to local preferences.



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Maintaining Growth Overseas

Overseas Soy Sauce Business: Initiatives and efforts in each area

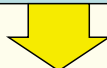


Europe

Sales growth target: Average of 10% per year or more
(in local currencies)

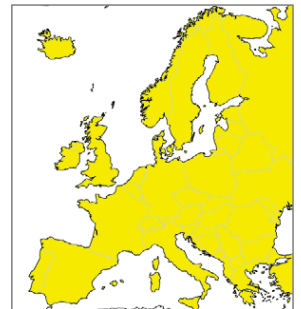
Initiative 1

- Cultivating the major markets and developing emerging markets.



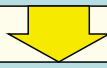
Current efforts

- Promoting the further enhancement of the recognition of Soy Sauce and the Kikkoman brand through active promotion activities using media.



Initiative 2

- Promoting the development of new products.



Current efforts

- Developing new products that meet user needs.



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Maintaining Growth Overseas

Overseas Soy Sauce Business: Initiatives and efforts in each area

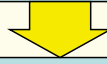


Asia & Oceania

Sales growth target: Average of 10% per year or more
(in local currencies)

Initiative 1

- Promoting product development and marketing in accordance with the conditions in each country.



Current efforts

- Developing new products tailored to preferences in each country and promoting demonstration activities using local foods and ingredients.



Initiative 2

- Strengthening marketing systems in Asia.



Current efforts

- Maintaining the review and strengthening of sales systems in each country.

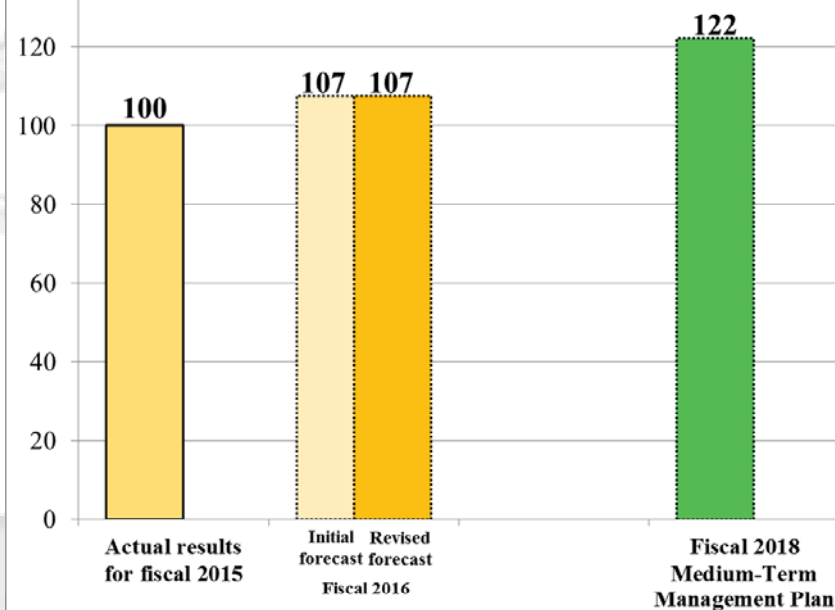


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Maintaining Growth Overseas

Overseas Foods Wholesale Business: Sales target for fiscal 2018 and progress

Net Sales



* Trends and targets (in local currencies) of net sales in the overseas soy sauce business are presented using indexes, with the actual results for fiscal 2015 as 100.

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Maintaining Growth Overseas

Overseas Foods Wholesale Business: Initiatives and efforts in business

Sales growth target: Average of 7% per year or more (in local currencies)



Initiative 1

- Opening new bases.



Current efforts

- Opening bases in Italy (Milan) and Thailand.

Major bases in the Foods Wholesale Business of the Group



Initiative 2

- Strengthening product sourcing and development capabilities.



Current efforts

- Strengthening product sourcing capabilities in cooperation with areas around the world.
- Developing new products that meet local needs.



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Improving Productivity in Japan

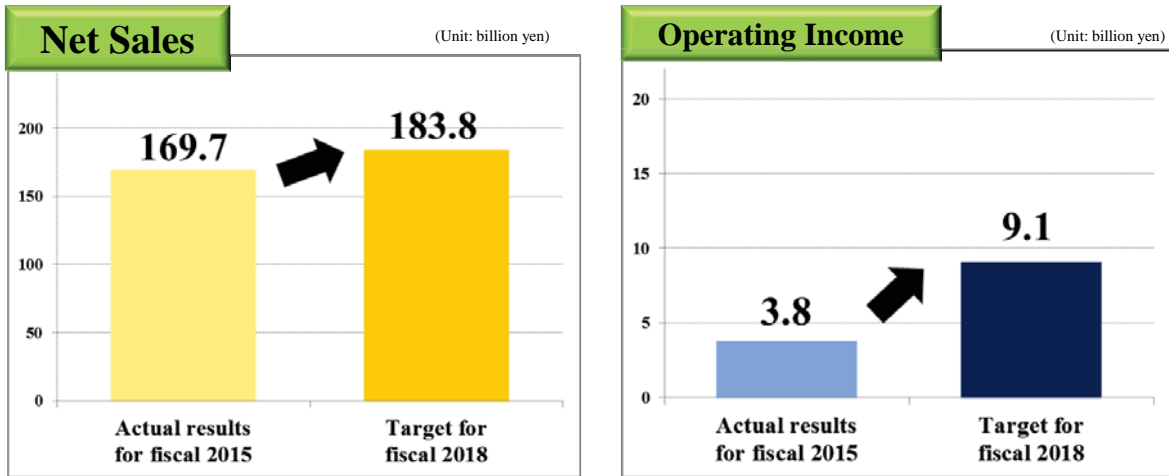
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Improving Productivity in Japan

Domestic Businesses: Targets for fiscal 2018

Strengthening growth categories and promoting structural improvement



Operating income ratio in domestic businesses

Actual ratio in fiscal 2015 **2.2%** → Target for fiscal 2018 **5.0%**



Improving Productivity in Japan

Strengthening growth categories



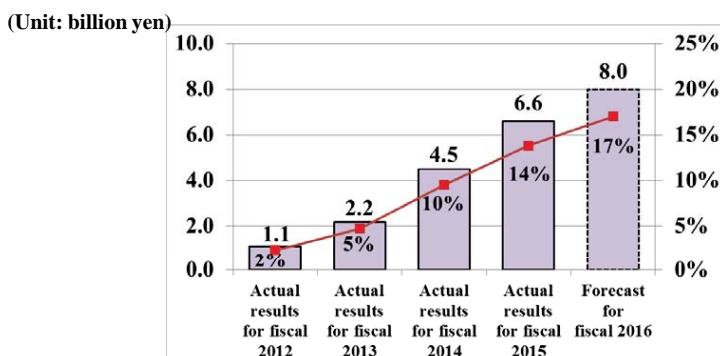
Initiative

- Soy sauce: Shift to the *Itsudemo Shinsen* series.

Current efforts

- Expand sales by broadening the product lineup through active promotion activities.

Trends of sales of the "Itsudemo Shinsen" series and the percentage of sales to total sales of the entire Kikkoman Soy Sauce Division



Improving Productivity in Japan

Strengthening growth categories



Initiative

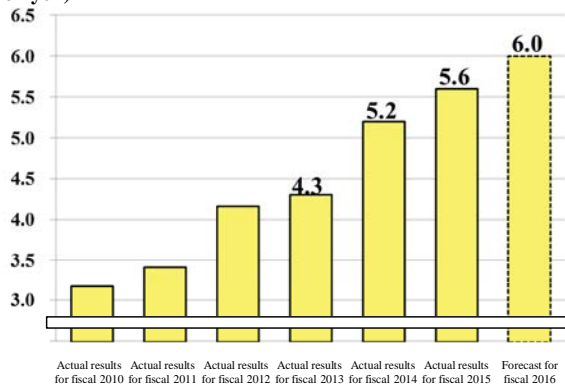
- Food: Growth of *Uchi-no-Gohan*.

Current efforts

- Strengthening single-item and series capabilities.
- Developing active sales promotions in stores.

Trends of annual sales of *Uchi-no-Gohan*

(Unit: billion yen)



kikkoman

Improving Productivity in Japan

Strengthening growth categories



Initiative

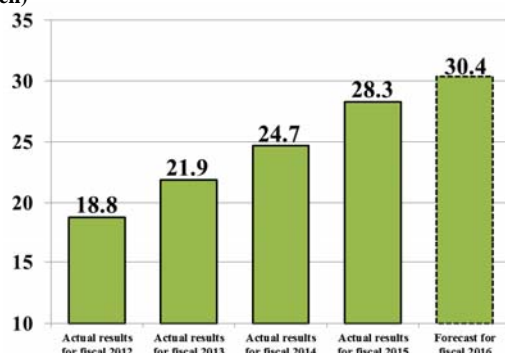
- Beverages: Growth of the soy milk business.

Current efforts

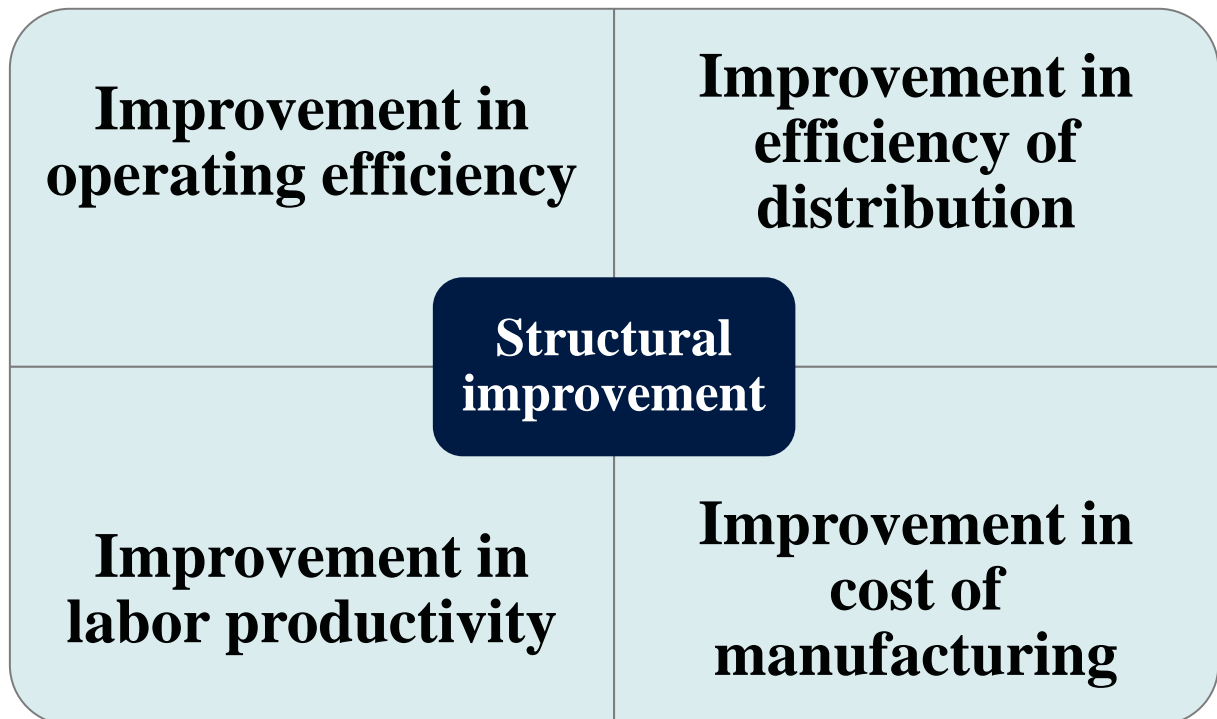
- Developing promotion activities for the expansion of use for cooking in addition to drinking, with health-conscious consumers as a backdrop.

Trends of annual sales of soy milk

(Unit: billion yen)

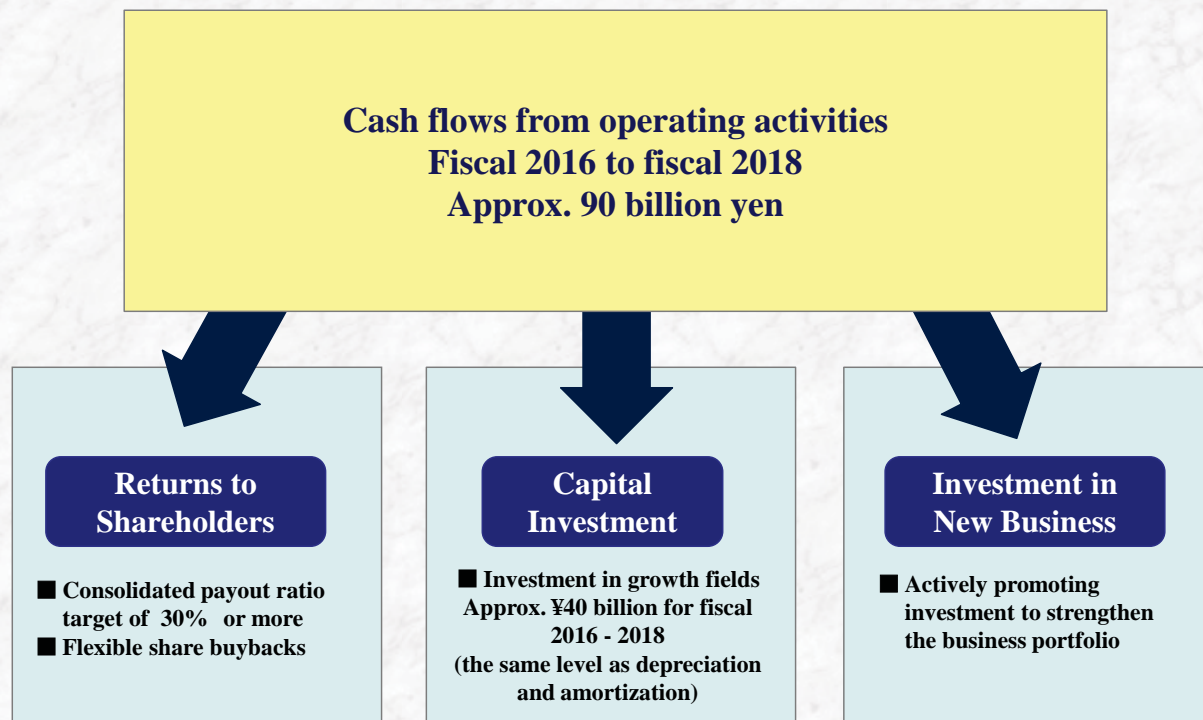


Domestic Business: Efforts for structural improvement

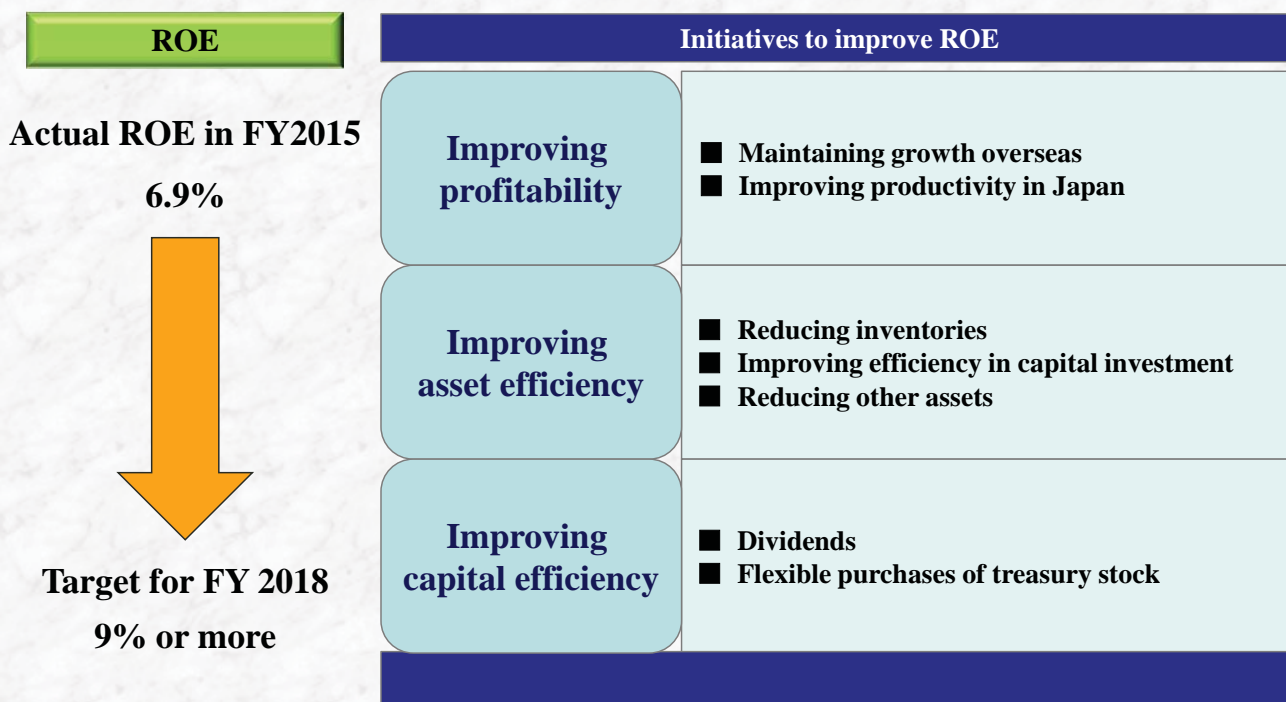


Financial Strategy

Financial Strategy: Uses of Cash



Financial Strategy: Improving ROE



The target above is based on the assumption that the exchange rates in fiscal 2018 will be 115 yen against the dollar and 125 yen against the euro and that the stock market will be at the level at the end of March 2015.

Corporate Governance



Overview of Corporate Governance

(As of October 1, 2015)

Basic Approach

The Company regards the enhancement of corporate value through the practice of the Group management philosophy as the basis of business management. To realize this, the improvement and strengthening of the corporate governance system is the most important management issue.

Organization

Structure	Company with Audit & Supervisory Board
Corporate officer system	Yes

Executives

	Directors	Audit & Supervisory Board Members
Number (including the number of outside appointments)	11 (3)	4 (2)
Term of office	1 year	4 years

Key steps taken to reinforce corporate governance

Time	Initiative	Purpose
March 2001	Introduced corporate officer system	Clarified management responsibilities and accelerated decision-making and business execution
June 2002	Appointed outside directors	Increased management transparency and strengthened management oversight
	Established Nominating Committee and Remuneration Committee	
October 2009	Adopted holding company structure	Clarified roles and responsibilities of holding company and operating companies and created a structure to maximize Group synergies

Nominating Committee and Remuneration Committee

	Structure	Role
Nominating Committee	5 members (3 outside directors, 2 directors) Committee chaired by an outside director	Recommends candidates for director, audit & supervisory board member and corporate officer posts to the Board of Directors (The Audit & Supervisory Board provides its consent for audit & supervisory board member candidates)
Remuneration Committee	5 members (3 outside directors, 2 directors) Committee chaired by an outside director	Develops remuneration proposals for directors, audit & supervisory board members and corporate officers

Corporate Governance System

(As of October 1, 2015)

